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RE/MAX Eastside Brokers, Inc.

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Anthony C. Meredith, Esq.
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August 6, 2005

RE: Past Realtor® Employment and Over \$9K in Unpaid Commissions*

Dear Mr. Meredith & ZipRealty, Inc.:

Thank you for your prompt review and investigation and reply to my unpaid commission claims, that I had stated in my prior letter sent to ZipRealty.

I am sorry to see that your quick response to my claims is based on incorrect or incomplete or biased information, which you stated in your August 3, 2005 letter. My claimed ZipRealty unpaid commissions are still valid, and are still due to me.

As stated in my previous letter, that you have inaccurately responded to, as a WA licensed Realtor® that had worked for ZipRealty as their agent for 10 months, until the end of last month, I was never paid a salary or for my past expenses. As a non-salaried agent for ZipRealty, it is obvious that I was not really an "employee" of ZipRealty, and that my signed original ZipRealty "employment" agreement, that you had attached, was a sham, and was based on the fraud and misrepresentation by employees of ZipRealty, for what was really an independent contractor agreement. I was also under financial duress that required my signature on this non-negotiable and non-changeable and unconscionable one-sided agreement, and possible unenforceable document, to allow ZipRealty to gain "employer" leverage and benefits over me, before they would provide me with their website based client leads (that turned out to be almost totally of very poor quality and a total waste of my follow-up and contact time), from their websites and strategic partnerships, when they were really only

acting as my real estate broker for most of my own deals with my own clients, and still keeping almost 2/3 of the real estate sales total commissions paid.

In return for ZipRealty client leads, which were for the most-part totally worthless, and for also registering my own past and referred clients, I had agreed to only to be paid a future 40% of net LOC or SOC commissions after ZipRealty had been paid for my closed seller listing sales and buyer purchases. The total non-payment by ZipRealty for my own client's still Pending transactions that were already in escrow at the time of my employment termination, under the terms of their "employment" agreement (that I signed when ZipRealty was still a privately owned real estate brokerage and not yet on the stock exchange as a publicly traded company) is not only unfair, but may have contained unenforceable and unconscionable terms in this "claimed" employment agreement. I am still working as a WA licensed Realtor® at RE/MAX Eastside Brokers, Inc., and I was the appointed agent on these signed Listing or Buyer Agreements, with ZipRealty only being show on these agreements as my real estate broker at the time.

Even after I left the employment of ZipRealty, I still continued to perform the work necessary to ensure that my pending transactions "closed", and I continued to perform my duties as the originally assigned agent to these past clients on my mutually signed listing or buyers agency agreements, and related to all the other parties and their agents involved in these still pending transactions, to insure the successful closing of these transactions, even after the time I had emailed my termination notice letter to ZipRealty as suggested by my past broker. It was the "desired" or the recommended process of ZipRealty to assign a new Agent to any still pending transactions, but they were not required or forced to perform any duties to ensure that my still pending 'Trotsky/Seattle home listing sale" and the "Morris/Bothell home purchase" transactions would successfully close or that ZipRealty was paid the full listing or sales commission for my transactions within a few days to within a few weeks from my actual termination date. It is usual and customary in the real estate brokerage industry, and in most sales positions that only pay a commission to the original agent or salesperson, that the procuring agent or representative will still receive their portion of all received commissions on their pending transactions that close or if their employer receives full payment within 30 days of their termination, as the past assigned or procuring agent.

As you stated in your letter, the Dinh Le-Tran/Quadrant presale home in Renton will not close for a few more months. However, ZipRealty has already been paid the full commission on this firm transaction, based on the non-refundable earnest money already received from the buyer by Seller, and I should still received my share of this already paid commission, even if it has not yet been closed.

I am not sure why you contacted the registrar's office at Southwestern University School of Law, since this is moot to my claim, and to working as a WA licensed Real Estate Agent for ZipRealty. I am also sorry that you had received incorrect information from whoever you contacted. I graduated, and I was granted their

diploma and the degree of Juris Doctor, on May 18, 1979. I have also taken both the California and Washington Bar Exams, which would have not been allowed if I had only attended some courses and did not obtain my Juris Doctor degree. The only misrepresentations and fraud and possible real estate licensing violations seem to be by ZipRealty, in their desire to enforce the terms of their sham "employment" agreement with past agents. The SEC & the media do not condone this type of corporate misconduct and unfair profits against past agents.

Under "quantum meruit", for my already performed Realtor® services, and the unclear intent and questionable enforceability of the ZipRealty "employment" agreement and some of its terms, and under the doctrine of professional ethics & fairness, I still expect ZipRealty to pay me for my portion of their already received commissions for my referred pending client closings that were not even ZipRealty website referred new clients to me. If not, I will still pursue all of my legal remedies and arbitration, and I will continue to send copies of my letters regarding this unethical brokerage situation & your unfair Realtor® employment and payment practices to all related Real Estate licensing agencies, the NWMLS & SKCAR & WAR & NAR, the State Better Business Bureaus, the SEC, the FTC, and State Labor & Employment & Industrial Relations Departments.

Even if some of these agencies may not have standing to actually address my claims for unpaid commissions, my performed work as a professional Realtor® and licensed real estate agent, under the terms of the questionable ZipRealty "employment agreement", and their position to keep full paid sales commissions, including my portion of my previously pending, but now closed or paid commissions, when I was the procuring cause of these clients and their closed transactions, based on some of the terms of their claimed "employment" agreement, does show their lack of ethics and integrity in real estate related issues provided by ZipRealty and its "employment agreement" with its agents.

Under the ZipRealty Agent Compensation Schedule A, I generated over \$15,000 of net commission revenue in March of 2005, yet I was also not paid at 60% of net Revenue in excess of \$15,000, or all of my Customer Satisfaction bonuses.

I am sure that as a professional legal counsel with ZipRealty, you would also still expect to be paid for past ZipRealty work performed, even if you left ZipRealty before a case that you had handled was settled and recorded.

I hope that my claims can still be resolved without further arbitration or legal actions, and I hope that you can help facilitate how I will still get my commission split that I would have been paid by ZipRealty on my closed or paid sales.

Sincerely,

David J. Lubocki, MS, JD, Realtor® Licensed in WA

* RE: Trotsky (\$740K sale); Le (\$374K purchase); & Morris (\$302K purchase).